



General Assembly

February Session, 2010

Raised Bill No. 5493

LCO No. 2157

02157_____ED_

Referred to Committee on Education

Introduced by:
(ED)

***AN ACT CONCERNING STRATEGIC PLANNING IN STATE
EDUCATION POLICY AND CHARTER SCHOOL FUNDING.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 10-66aa of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2011*):

3 As used in sections 10-66aa to 10-66ff, inclusive, as amended by this
4 act, and sections 10-66hh to 10-66kk, inclusive, as amended by this act:

5 (1) "Charter school" means a public, nonsectarian school which is
6 (A) established under a charter granted pursuant to section 10-66bb, as
7 amended by this act, (B) organized as a nonprofit entity under state
8 law, (C) a public agency for purposes of the Freedom of Information
9 Act, as defined in section 1-200, and (D) operated independently of any
10 local or regional board of education in accordance with the terms of its
11 charter and the provisions of sections 10-66aa to 10-66ff, inclusive, as
12 amended by this act, provided no member or employee of a governing
13 council of a charter school shall have a personal or financial interest in
14 the assets, real or personal, of the school;

15 (2) "Local charter school" means a public school or part of a public
16 school that is converted into a charter school and is approved by the
17 local or regional board of education of the school district in which it is
18 located and by the State Board of Education pursuant to subsection (e)
19 of section 10-66b, as amended by this act; [and]

20 (3) "State charter school" means a new public school approved by
21 the State Board of Education pursuant to subsection (f) of section 10-
22 66bb, as amended by this act;

23 (4) "Net current expenditures" means total current educational
24 expenditures, less expenditures described in subparagraphs (A) to (G),
25 inclusive, of subdivision (3) of section 10-261, and less expenditures for
26 out-of-district special education placements and less the amount of any
27 federal funds received by the school district;

28 (5) "Net current expenditures per pupil" means net current
29 expenditures divided by the amount of resident students, as defined in
30 section 10-262f, in a sending district; and

31 (6) "Sending district" means any school district that sends students it
32 would otherwise be legally responsible for educating to another
33 district to attend a charter school.

34 Sec. 2. Subsections (a) to (c), inclusive, of section 10-66bb of the
35 general statutes are repealed and the following is substituted in lieu
36 thereof (*Effective July 1, 2011*):

37 (a) On and after July 1, 1997, the State Board of Education may grant
38 [within available appropriations,] charters for local and state charter
39 schools in accordance with this section.

40 (b) Any person, association, corporation, organization or other
41 entity, public or independent institution of higher education, local or
42 regional board of education or two or more boards of education
43 cooperatively, or regional educational service center may apply to the
44 Commissioner of Education, at such time and in such manner as the

45 commissioner prescribes, to establish a charter school, provided no
46 nonpublic elementary or secondary school may be established as a
47 charter school and no parent or group of parents providing home
48 instruction may establish a charter school for such instruction.

49 (c) The State Board of Education shall review, annually, all
50 applications and grant charters in accordance with subsection (f) of
51 this section. [(1) Except as provided for in subdivision (2) of this
52 subsection, no state charter school shall enroll (A) (i) more than two
53 hundred fifty students, or (ii) in the case of a kindergarten to grade
54 eight, inclusive, school, more than three hundred students, or (B)
55 twenty-five per cent of the enrollment of the school district in which
56 the state charter school is to be located, whichever is less. (2) In the
57 case of a state charter school found by the State Board of Education to
58 have a demonstrated record of achievement, such school may, upon
59 application to and approval by said board, enroll up to eighty-five
60 students per grade, if within available appropriations.] The State Board
61 of Education shall give preference to applicants for charter schools that
62 will serve students who reside in a priority school district pursuant to
63 section 10-266p or in a district in which seventy-five per cent or more
64 of the enrolled students are members of racial or ethnic minorities and
65 to applicants for state charter schools that will be located at a work-site
66 or that are institutions of higher education. In determining whether to
67 grant a charter, the State Board of Education shall consider the effect of
68 the proposed charter school on the reduction of racial, ethnic and
69 economic isolation in the region in which it is to be located, the
70 regional distribution of charter schools in the state and the potential of
71 over-concentration of charter schools within a school district or in
72 contiguous school districts.

73 Sec. 3. Section 10-66ee of the 2010 supplement to the general statutes
74 is repealed and the following is substituted in lieu thereof (*Effective July*
75 *1, 2011*):

76 (a) For the purposes of education equalization aid under section 10-

77 262h a student enrolled (1) in a local charter school shall be considered
78 a student enrolled in the school district in which such student resides,
79 and (2) in a state charter school shall [not] be considered a student
80 enrolled in the school district in which such student resides.

81 (b) The local board of education of the school district in which a
82 student enrolled in a local charter school resides shall pay, annually, in
83 accordance with its charter, to the fiscal authority for the charter school
84 for each such student the amount specified in its charter, including the
85 reasonable special education costs of students requiring special
86 education. The board of education shall be eligible for reimbursement
87 for such special education costs pursuant to section 10-76g.

88 [(c) (1) The state shall pay in accordance with this subsection, to the
89 fiscal authority for a state charter school for each student enrolled in
90 such school, for the fiscal year ending June 30, 2006, seven thousand
91 six hundred twenty-five dollars, for the fiscal year ending June 30,
92 2007, eight thousand dollars, for the fiscal year ending June 30, 2008,
93 eight thousand six hundred fifty dollars, for the fiscal year ending June
94 30, 2009, and each fiscal year thereafter, nine thousand three hundred
95 dollars. Such payments shall be made as follows: Twenty-five per cent
96 of the amount not later than July fifteenth and September fifteenth
97 based on estimated student enrollment on May first, and twenty-five
98 per cent of the amount not later than January fifteenth and the
99 remaining amount not later than April fifteenth, each based on student
100 enrollment on October first. If the total amount appropriated for grants
101 pursuant to this subdivision exceeds eight thousand six hundred fifty
102 dollars per student for the fiscal year ending June 30, 2008, and exceeds
103 nine thousand three hundred dollars for the fiscal year ending June 30,
104 2009, the amount of such grants payable per student shall be increased
105 proportionately, except that such per student increase shall not exceed
106 seventy dollars. Any amount of such appropriation remaining after
107 such per student increase may be used by the Department of
108 Education for supplemental grants to interdistrict magnet schools
109 pursuant to subdivision (2) of subsection (c) of section 10-264l to pay

110 for a portion of the audit required pursuant to section 10-66ll, to pay
111 for expenses incurred by the Department of Education to ensure the
112 continuity of a charter school where required by a court of competent
113 jurisdiction and, in consultation with the Secretary of the Office of
114 Policy and Management, to pay expenses incurred in the creation of a
115 school pursuant to section 10-74g. For the fiscal year ending June 30,
116 2005, such increase shall be limited to one hundred ten dollars per
117 student. (2) In the case of a student identified as requiring special
118 education, the school district in which the student resides shall: (A)
119 Hold the planning and placement team meeting for such student and
120 shall invite representatives from the charter school to participate in
121 such meeting; and (B) pay the state charter school, on a quarterly basis,
122 an amount equal to the difference between the reasonable cost of
123 educating such student and the sum of the amount received by the
124 state charter school for such student pursuant to subdivision (1) of this
125 subsection and amounts received from other state, federal, local or
126 private sources calculated on a per pupil basis. Such school district
127 shall be eligible for reimbursement pursuant to section 10-76g. The
128 charter school a student requiring special education attends shall be
129 responsible for ensuring that such student receives the services
130 mandated by the student's individualized education program whether
131 such services are provided by the charter school or by the school
132 district in which the student resides.

133 (d) On or before October fifteenth of the fiscal years beginning July
134 1, 2001, and July 1, 2002, the Commissioner of Education shall
135 determine if the enrollment in the program for the fiscal year is below
136 the number of students for which funds were appropriated. If the
137 commissioner determines that the enrollment is below such number,
138 the additional funds shall not lapse but shall be used by the
139 commissioner for (1) grants for interdistrict cooperative programs
140 pursuant to section 10-74d, (2) grants for open choice programs
141 pursuant to section 10-266aa, or (3) grants for interdistrict magnet
142 schools pursuant to section 10-264l.

143 (e) Notwithstanding any provision of the general statutes to the
144 contrary, if at the end of a fiscal year amounts received by a state
145 charter school, pursuant to subdivision (1) of subsection (c) of this
146 section, are unexpended, the charter school (1) may use, for the
147 expenses of the charter school for the following fiscal year, up to ten
148 per cent of such amounts, and (2) may (A) create a reserve fund to
149 finance a specific capital or equipment purchase or another specified
150 project as may be approved by the commissioner, and (B) deposit into
151 such fund up to five per cent of such amounts.]

152 (c) (1) The state shall pay, in accordance with this subsection, a total
153 tuition amount to each state charter school, which shall be the sum of
154 the tuition amounts for each sending district sending students to the
155 charter school. The tuition amount for each sending district shall be
156 equal to the net current expenditures per pupil for the sending district,
157 multiplied by the number of students attending the charter school
158 from the sending district. The sending district's total tuition amount
159 for the purposes of this subsection shall be the sum of the sending
160 district's tuition amounts owed to each state charter school to which
161 the sending district sends students.

162 (2) The State Comptroller shall deduct a sending district's total
163 tuition amount from the sending district's equalization aid grant
164 payment to be made pursuant to section 10-262i, prior to the
165 distribution of such grant. If, in a single sending district, the total
166 tuition amount exceeds the equalization aid grant payment to be made
167 to the sending district, the amount in excess of the education
168 equalization aid grant shall be deducted from other aid for the sending
169 district. If, in a single sending district, the total tuition amount exceeds
170 the total state aid for the sending district, the state shall provide a
171 grant to the charter school equal to the amount in excess of such total
172 state aid.

173 (3) The State Comptroller shall disburse to each state charter school
174 an amount equal to the charter school's total tuition amount, as

175 described in subdivision (1) of this subsection. Such payment shall be
176 made to each state charter school entitled to such payment in
177 installments during the fiscal year as follows: Twenty-five per cent of
178 the total tuition amount not later than July fifteenth and September
179 fifteenth, based on estimated student enrollment on May first, twenty-
180 five per cent of the amount not later than January fifteenth, and the
181 remaining amount not later than April fifteenth, each based on student
182 enrollment on October first.

183 (4) For the fiscal year ending June 1, 2012, and each fiscal year
184 thereafter, any sending district whose equalization aid grant, pursuant
185 to section 10-262i, is less than the equalization aid grant for the
186 previous year shall be reimbursed, within available appropriations, by
187 the state in accordance with this subdivision. The reimbursement
188 amount shall be equal to one hundred per cent of the decrease that
189 occurs for the fiscal year ending June 30, 2011, sixty per cent of such
190 amount for the fiscal year ending June 30, 2010, and forty per cent of
191 such amount for the fiscal year ending June 30, 2013.

192 (d) The financial responsibility for any student requiring special
193 education who is determined to require an out-of-district placement
194 shall remain with the sending district. If a state charter school expects
195 that a student currently enrolled in the charter school may be in need
196 of an out-of-district placement, it shall hold a planning and placement
197 team meeting for such student and shall invite representatives from
198 the sending district to participate in such meeting. Notice of the team
199 meeting shall be provided to the special education personnel of the
200 sending district at least five days in advance of such meeting.

201 (e) (1) The state shall provide funding to state charter schools for
202 capital expenditures for the construction, renovation, purchase,
203 acquisition and improvement of land, buildings and equipment. The
204 department shall calculate the state-wide per pupil average
205 expenditure and debt service from state and local sources for such
206 capital expenditures and debt service, and shall multiply such amount

207 by the number of students attending each state charter school. The
208 State Comptroller shall disburse to each state charter school the
209 amount calculated for such school pursuant to this subsection in
210 installments during the fiscal year as follows: (A) Twenty-five per cent
211 of the funding in October, (B) twenty-five per cent of the funding in
212 January, and (C) the balance of the funding in April.

213 (2) In the event a state charter school receives a grant pursuant to
214 chapter 173, the state charter school shall reimburse the state the
215 amounts paid to the charter school pursuant to subdivision (1) of this
216 subsection for each fiscal year in which a grant payment is made. In
217 the event the amount paid to a state charter school pursuant to
218 subdivision (1) of this subsection exceeds a grant payment made in the
219 same fiscal year, the state charter school shall not be required to
220 reimburse the state for the excess amount.

221 (f) The local or regional board of education of the [school] sending
222 district in which the charter school is located shall provide
223 transportation services for students of the charter school who reside in
224 such school district pursuant to section 10-273a unless the charter
225 school makes other arrangements for such transportation. Any local or
226 regional board of education may provide transportation services to a
227 student attending a charter school outside of the district in which the
228 student resides and, if it elects to provide such transportation, shall be
229 reimbursed pursuant to section 10-266m for the reasonable costs of
230 such transportation. Any local or regional board of education
231 providing transportation services under this subsection may suspend
232 such services in accordance with the provisions of section 10-233c. The
233 parent or guardian of any student denied the transportation services
234 required to be provided pursuant to this subsection may appeal such
235 denial in the manner provided in sections 10-186 and 10-187.

236 (g) Charter schools shall be eligible to the same extent as boards of
237 education for any [grant] state grants, including, but not limited to,
238 grants for special education, competitive state grants and grants

239 pursuant to sections 10-17g and 10-266w.

240 (h) If the commissioner finds that any charter school uses a grant
241 under this section for a purpose that is inconsistent with the provisions
242 of this part, the commissioner may require repayment of such grant to
243 the state.

244 (i) Charter schools shall receive, in accordance with federal law and
245 regulations, any federal funds available for the education of any pupils
246 attending public schools.

247 [(j)] The governing council of a charter school may (1) contract or
248 enter into other agreements for purposes of administrative or other
249 support services, transportation, plant services or leasing facilities or
250 equipment, and (2) receive and expend private funds or public funds,
251 including funds from local or regional boards of education and funds
252 received by local charter schools for out-of-district students, for school
253 purposes.]

254 [(k)] (j) If in any fiscal year, more than one new state charter school
255 is approved pursuant to section 10-66bb, as amended by this act, and is
256 awaiting funding pursuant to the provisions of this section, the State
257 Board of Education shall determine which school is funded first based
258 on a consideration of the following factors in order of importance as
259 follows: (1) Whether the applicant has a demonstrated record of
260 academic success by students, (2) whether the school is located in a
261 school district with a demonstrated need for student improvement,
262 and (3) whether the applicant has plans concerning the preparedness
263 of facilities, staffing and outreach to students.

264 [(l)] (k) Within available appropriations, the state may provide a
265 grant in an amount not to exceed seventy-five thousand dollars to any
266 newly approved state charter school that assists the state in meeting
267 the goals of the 2008 stipulation and order for Milo Sheff, et al. v.
268 William A. O'Neill, et al., as determined by the Commissioner of
269 Education, for start-up costs associated with the new charter school

270 program.

271 [(m)] (l) Charter schools may, to the same extent as local and
 272 regional boards of education, enter into cooperative arrangements as
 273 described in section 10-158a, provided such arrangements are
 274 approved by the Commissioner of Education. Any state charter school
 275 participating in a cooperative arrangement under this subsection shall
 276 maintain its status as a state charter school and not be excused from
 277 any obligations pursuant to sections 10-66aa to 10-66ll, inclusive, as
 278 amended by this act.

279 Sec. 4. Section 10-66hh of the general statutes is repealed and the
 280 following is substituted in lieu thereof (*Effective July 1, 2011*):

281 (a) [For the fiscal years ending June 30, 2008, and June 30, 2009, the]
 282 The Commissioner of Education shall establish, within available bond
 283 authorizations, a grant program to assist state charter schools in
 284 financing (1) school building projects, as defined in section 10-282, (2)
 285 general improvements to school buildings, as defined in subsection (a)
 286 of section 10-265h, and (3) repayment of debt incurred for school
 287 building projects. The governing authorities of such state charter
 288 schools may apply for such grants to the Department of Education at
 289 such time and in such manner as the commissioner prescribes. The
 290 commissioner shall give preference to applications that provide for
 291 matching funds from nonstate sources.

292 (b) All final calculations for grant awards pursuant to this section in
 293 an amount equal to or greater than two hundred fifty thousand dollars
 294 shall include a computation of the state grant amount amortized on a
 295 straight line basis over a ten-year period. Any state charter school
 296 which abandons, sells, leases, demolishes or otherwise redirects the
 297 use of a school building which benefited from such a grant award
 298 during such amortization period, including repayment of debt for the
 299 purchase, renovation or improvement of the building, shall refund to
 300 the state the unamortized balance of the state grant remaining as of the
 301 date that the abandonment, sale, lease, demolition or redirection

302 occurred. The amortization period shall begin on the date the grant
303 award is paid. A state charter school required to make a refund to the
304 state pursuant to this subsection may request forgiveness of such
305 refund if the building is redirected for public use.

306 Sec. 5. Section 10-66jj of the general statutes is repealed and the
307 following is substituted in lieu thereof (*Effective July 1, 2011*):

308 (a) For the purposes described in subsection (b) of this section, the
309 State Bond Commission shall have the power, from time to time, to
310 authorize the issuance of bonds of the state in one or more series and
311 in principal amounts not [exceeding in the aggregate twenty million
312 dollars, provided five million dollars of said authorization shall be
313 effective July 1, 2008] less than five million dollars per year.

314 (b) The proceeds of the sale of said bonds, to the extent of the
315 amount stated in subsection (a) of this section, shall be used by the
316 Department of Education for the purpose of grants pursuant to section
317 10-66hh, as amended by this act.

318 (c) All provisions of section 3-20, or the exercise of any right or
319 power granted thereby, which are not inconsistent with the provisions
320 of this section are hereby adopted and shall apply to all bonds
321 authorized by the State Bond Commission pursuant to this section, and
322 temporary notes in anticipation of the money to be derived from the
323 sale of any such bonds so authorized may be issued in accordance with
324 said section 3-20 and from time to time renewed. Such bonds shall
325 mature at such time or times not exceeding twenty years from their
326 respective dates as may be provided in or pursuant to the resolution or
327 resolutions of the State Bond Commission authorizing such bonds.
328 None of said bonds shall be authorized except upon a finding by the
329 State Bond Commission that there has been filed with it a request for
330 such authorization which is signed by or on behalf of the Secretary of
331 the Office of Policy and Management and states such terms and
332 conditions as said commission, in its discretion, may require. Said
333 bonds issued pursuant to this section shall be general obligations of the

334 state and the full faith and credit of the state of Connecticut are
 335 pledged for the payment of the principal of and interest on said bonds
 336 as the same become due, and accordingly and as part of the contract of
 337 the state with the holders of said bonds, appropriation of all amounts
 338 necessary for punctual payment of such principal and interest is
 339 hereby made, and the State Treasurer shall pay such principal and
 340 interest as the same become due.

341 Sec. 6. Section 10-66ll of the general statutes is repealed and the
 342 following is substituted in lieu thereof (*Effective July 1, 2011*):

343 Annually, the commissioner shall randomly select one state charter
 344 school, as defined in subdivision (3) of section 10-66aa, to be subject to
 345 a comprehensive financial audit conducted by an auditor selected by
 346 the Commissioner of Education. [Except as provided for in subsection
 347 (c) of section 10-66ee, the] The charter school shall be responsible for
 348 all costs associated with the audit conducted pursuant to the
 349 provisions of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2011</i>	10-66aa
Sec. 2	<i>July 1, 2011</i>	10-66bb(a) to (c)
Sec. 3	<i>July 1, 2011</i>	10-66ee
Sec. 4	<i>July 1, 2011</i>	10-66hh
Sec. 5	<i>July 1, 2011</i>	10-66jj
Sec. 6	<i>July 1, 2011</i>	10-66ll

Statement of Purpose:

To amend the statutes concerning the funding mechanism for state charter schools by allowing state charter schools to be eligible for state funding to the same extent as local and regional boards of education.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]